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LISTING STATEMENT No. 2226

LISTED DECEMBER 31, 1965

4,978,540 common shares without par value, of which 200,000 are subject to issuance.
Ticker abbreviation "THM"
Dial ticker number 2073
Post section 5.1

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

THOMSON NEWSPAPERS LIMITED

Incorporated under the laws of the Province of Ontario
by Letters Patent dated June 30, 1947.

CAPITALIZATION AS AT DECEMBER 28, 1965

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Preference Shares with a par value of \$50 each, issuable in series	200,000	nil	nil
Common shares without par value	10,000,000	4,778,540	4,978,540*
* of which 200,000 are subject to issuance.			
FUNDED DEBT			
First Mortgage Bonds - No fixed limitation			
Sinking fund 5% bonds, 1955 series, maturing October 1, 1975	\$5,000,000	\$3,750,000	nil
6% Sinking fund bonds, 1960 series, maturing November 1, 1980	\$4,000,000	\$3,250,000	nil
Mortgage payable		\$ 24,167	
Notes and Mortgages payable of Subsidiary Companies		\$3,366,158	

December 28, 1965

1. APPLICATION

THOMSON NEWSPAPERS LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 4,978,540 common shares without par value in the capital of the Company, of which 4,778,540 have been issued and are outstanding as fully paid and non-assessable. The remaining 200,000 common shares included in this application are subject to an Agreement dated November 19, 1965 between the Company and its parent company, The Woodbridge Company Limited, whereby the Company agreed to sell and The Woodbridge Company Limited agreed to purchase 200,000 common shares without par value of the Company at a price of \$15.50 per share, 25,000 of such shares to be sold and purchased quarterly on March 31, June 30, September 30 and December 31 in each of the years 1966 and 1967.

2. REFERENCE TO ATTACHED PROSPECTUS

Reference is made to the attached prospectus dated November 22, 1965 relating to an offering of 720,000 of the said common shares for sale to the public, which prospectus is incorporated herein and made a part hereof.

3. SHARES ISSUED DURING PAST TEN YEARS

On April 30, 1965, 2,352 common shares without par value in the capital of the Company (as such shares existed prior to their subdivision on a 20 for 1 basis) were issued for cash, principally to employees. With the exception of the shares offered for sale by the above-mentioned prospectus, which were issued to Wood, Gundy & Company Limited on December 7, 1965, no other shares of any kind were issued during the past ten years.

4. LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

5. STATUS UNDER SECURITIES ACTS

The said 720,000 common shares without par value offered for sale by the above-mentioned prospectus were qualified for sale to the public through registered brokers in each of the provinces of Canada.

6. FISCAL YEAR

The fiscal year of the Company ends on December 31st in each year.

7. ANNUAL MEETINGS

The By-laws of the Company provide that the annual meeting of the Company shall be held at the head office of the Company on the third Tuesday in March of each year or at such other time and place as the Board of Directors may decide. The last annual meeting of the shareholders of the Company was held on August 18th, 1965 at the head office of the Company, Mississauga Road, Port Credit, Ontario.

8. HEAD AND OTHER OFFICES

The address of the head office of the Company is Mississauga Road, Port Credit, Ontario, and its chief executive offices are at 425 University Avenue, Toronto, Ontario. The Company also has offices in each location where it publishes a newspaper.

9. TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the common shares of the Company is Montreal Trust Company, 15 King Street West, Toronto, Ontario, 777 Dorchester Boulevard West, Montreal, Quebec and 466 Howe Street, Vancouver, British Columbia.

10. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

11. AUDITORS

The auditors of the Company are Messrs. Thorne, Mulholland, Howson & McPherson, Chartered Accountants, 111 Richmond Street West, Toronto, Ontario.

12. OFFICERS

The officers of the Company are:

NAME	OFFICE	ADDRESS
The Rt. Hon. Lord Thomson of Fleet	Honorary Chairman of the Board	Alderbourne Arches, Fulmer, Buckinghamshire, England.
Kenneth Roy Thomson	Chairman of the Board and President	8 Castle Frank Road, Toronto, Ontario.
Jan Hector Macdonald	Deputy Chairman	29 Eighth Line South, Oakville, Ontario.
St. Clair Landerkin McCabe	Executive Vice-President and Managing Director	1190 Mona Road, Port Credit, Ontario.
Sidney Frank Chapman, C.A.	Vice-President and Secretary-Treasurer	2072 Mississauga Road, Port Credit, Ontario.
John James Stephenson, C.A.	Asst. Secretary-Treasurer	1627 Sherway Drive, Cooksville, Ontario.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

This prospectus is not to be construed as a public offering of these common shares for sale in the United States of America or in the territories or possessions thereof.

New Issue

Thomson Newspapers Limited

(Incorporated under the laws of the Province of Ontario)

720,000 Common Shares

without par value

Transfer Agent and Registrar:

Montreal Trust Company, Toronto, Montreal and Vancouver

The listing of these common shares on The Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution to be furnished within 90 days of such approval.

In the opinion of counsel these common shares will be investments in which the Canadian and British Insurance Companies Act (Canada) states that companies registered under Part III thereof may, without availing themselves for that purpose of the provisions of subsection (4) of Section 63 of said Act, invest their funds.

We as principals offer these common shares subject to prior sale and change in price if, as and when issued by the Company and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Tory, Tory, DesLauriers & Binnington, Toronto, and on our behalf by Messrs. McCarthy & McCarthy, Toronto.

Price: \$15.50 per share

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that interim share certificates, later exchangeable without cost for definitive share certificates, will be available for delivery on or about December 7, 1965.

THOMSON NEWSPAPERS LIMITED

425 University Avenue,
Toronto 2, Ontario,
November 22, 1965.

WOOD, GUNDY & COMPANY LIMITED,
36 King Street West,
Toronto 1, Ontario.

Dear Sirs:

Purpose of Issue

Thomson Newspapers Limited proposes to issue 720,000 of its common shares without par value, the proceeds of which will be used to purchase unissued shares of and to make advances to its principal United States subsidiary, Thomson Newspapers Inc. Thomson Newspapers Inc. will apply the funds received by it to the repayment in full of outstanding notes payable in U.S. dollars to United States and Canadian banks in the amount of U.S. \$7,875,500 (Canadian \$8,470,000 approximately) and the balance of such funds will be added to its working capital.

The Company

Thomson Newspapers Limited and its subsidiaries (hereinafter sometimes collectively referred to as the "Company") publish the largest number of newspapers of any group in Canada. The Company's 24 Canadian daily newspapers represent over 21% of all dailies published in Canada, while in addition 5 Canadian weekly newspapers are owned in areas where prospects for expansion have made their acquisition attractive. The Company has also acquired a growing group of newspapers in the United States, which now includes 13 dailies and 5 weeklies.

The Company's newspapers (hereinafter referred to as "Thomson Newspapers") all serve areas in which they have a dominant position. Thomson Newspapers, with one exception, are published in cities and towns with populations below 100,000, a category of community whose newspapers have, according to United States experience and as measured by newsprint consumption, enjoyed a growth in recent years more than one and one-half times the average growth for newspapers as a whole. The communities in which Thomson Newspapers appear are spread throughout Canada and the United States, and their economies are broadly diversified. The Thomson Newspapers' domination of the diversified markets they serve and their concentration in the most rapidly growing segment of the newspaper industry have produced a stable operation with an exceptional record of growth of profits.

Thomson Newspapers

Thomson Newspapers published in Canada include daily newspapers in Barrie, Charlottetown (2 newspapers), Chatham, Cornwall, Fort William, Galt, Guelph, Kamloops, Kelowna, Moose Jaw, Nanaimo, Orillia, Oshawa, Pembroke, Penticton, Port Arthur, Prince Albert, Quebec City, Sarnia, Sudbury, Timmins, Welland and Woodstock, and weekly newspapers in Bathurst, Elliot Lake, Leamington, Orangeville and Trenton. Aggregate circulation of the daily newspapers is currently about 291,000.

In the United States the Thomson group includes daily newspapers in Adrian, Michigan; Albert Lea and Austin, Minnesota; Council Bluffs, Iowa; Dalton, Georgia; Fairmont, West Virginia (2 newspapers); Greenville, Ohio; Herkimer, New York; Lafayette, Louisiana; Laurel, Mississippi; New Albany, Indiana; and Petersburg, Virginia; and weekly newspapers in the Florida communities of Clewiston, Englewood, Glades County, Hendry County and Punta Gorda - Port Charlotte. Aggregate circulation of the daily newspapers is currently about 181,000.

The subsidiaries of Thomson Newspapers Limited are as follows: Canadian Newspapers Limited, The Northern Light Limited, Ontario Newspapers Limited, Patriot Publishing Company, The Post Printing Company Limited, Quebec Newspapers Limited, Thomson B.C. Newspapers Limited, Thomson Newspapers Inc., Times-Journal of Fort William, Limited and Western Publishers Limited. Thomson Newspapers Inc. has the following subsidiaries: The Clewiston News, Inc., The Independent, Inc., The Punta Gorda Herald Inc. and Nonpareil Realty Co.

The Thomson group has been built up primarily through the acquisition and subsequent improvement of old-established operating newspapers, a process involving the application to these newspapers of the most up-to-date business techniques. In several cases newspapers have been acquired as weeklies and, with the improvement in their operations and the growth of the communities they serve, have subsequently been converted to dailies. With the decline in the number of Canadian newspapers available for purchase, the Company has turned its attention to the United States where it believes there is broad scope for the application of its proven techniques. It is expected that in future years expansion will continue on both sides of the border.

During the last twenty years, capital expenditures on Thomson Newspapers have aggregated approximately \$40 million, of which approximately \$28 million represents the acquisition cost of additional newspapers and approximately \$12 million the cost of modernization and improvement. All of the Company's profits (except for dividend requirements on its preference shares, now retired, of \$10,000 per annum) have been retained in the business.

Operations

Thomson Newspapers enjoy independent local editorial control, a policy designed to maintain and expand the character and local appeal which individual newspapers have built up in their communities over a long period of years. Thomson Newspapers are also managed locally, but benefit from budgetary control, both operating and capital, from cost control, and from a wide variety of other centrally provided services. In addition, Thomson Newspapers benefit from the ability of the Thomson organization to provide attractive career prospects to promising editorial and business talent for promotion within the organization.

One of the keystones of the Company's success has been intelligent forward financial and capital planning. This has been reflected in the maximum elimination of waste in day-to-day operations and in the proper evaluation of the need for new capital equipment so that the best use is made of available plant. It has also provided for an accurate projection of costs so that advertising rates can be kept properly in step with them. In addition, the resulting detailed familiarity with the operation of each newspaper has enabled the Thomson organization to make quickly available to all its newspapers the experience of each individual unit.

Facilities provided to a Thomson Newspaper include the services of specialists in production, circulation and advertising, together with central solicitation of national advertising accounts and the training of local personnel in all phases of the newspaper business. In addition the services of an Ottawa Bureau are provided to Thomson Newspapers in Canada.

Management and Employees

The Company has developed over the years an outstanding management team characterized by broad experience and diversity of skills. The age spread throughout the management group is wide, and the group's relative youthfulness is illustrated by the fact that the average age of the ten most senior executives of the Company is only 43. The same ten officers and employees have an average length of service with the organization of 15½ years.

The Company has over 3,000 employees in all, of which about 2,100 are in Canada and 900 in the United States. The Company has experienced a relatively low turnover of staff over the years, and labour relations have been good.

Associated Companies

On completion of the present financing, over 77% of the Company's common shares will be owned through holding companies or trusts by members of the family of Lord Thomson of Fleet, who also have interests in additional newspapers, in particular in the British Isles, together with extensive television, publishing and other holdings. While there is no corporate connection between the Company and these interests, it is significant that the rapid and profitable development of many of them has been based on the application of techniques originally developed and proven in connection with the Company's operations in Canada.

Earnings

The following report with respect to the Company's earnings has been furnished by the Company's auditors:

Thomson Newspapers Limited and its Subsidiary Companies

Statement of Consolidated Net Earnings

For the Ten Years and Eight Months Ended August 31, 1965

Year ended December 31	Consolidated earnings from operations and miscellaneous earnings before deducting provision for depreciation, interest on long-term liabilities and provisions for taxes on income and minority interests	Provision for depreciation (note 2)	Interest on long-term liabilities	Provision for taxes on income (note 3)	Provision for minority interests	Consolidated net earnings
1955.....	\$ 1,692,925	\$ 750,348	\$ 172,867	\$ 345,641	\$	\$ 424,069
1956.....	2,126,966	681,778	290,187	541,038		613,963
1957.....	2,328,175	582,980	280,937	652,211		812,047
1958.....	2,846,529	631,578	271,687	873,921		1,069,343
1959.....	3,410,040	671,211	262,419	1,115,909		1,360,501
1960.....	3,798,170	947,466	292,809	1,334,864		1,223,031
1961.....	4,097,596	982,015	481,750	1,357,814		1,276,017
1962.....	3,991,952	792,742	461,063	1,400,538		1,337,609
1963.....	6,103,641	1,267,473	650,560	1,894,685	7,945	2,282,978
1964.....	7,630,079	1,435,305	745,283	2,726,847	13,076	2,709,568
1965 (8 months) ..	5,505,916	1,054,830	600,080	1,934,299	2,224	1,911,483

NOTES:

- (1) The earnings of subsidiaries and branches prior to their acquisition are not included in the above statement. The following are the respective dates of acquisition of newspapers acquired since the beginning of 1955: August 8, 1955, Sudbury; June 13, 1957, Kelowna and Penticton; July 1, 1957, Pembroke; August 28, 1957, Barrie; September 18, 1957, Charlottetown (Patriot); December 31, 1957, Kamloops; August 28, 1959, Orangeville; June 30, 1960, Cornwall; January 1, 1961, Quebec City; February 17, 1961, Elliot Lake; December 31, 1962, Fort William, Austin, Clewiston, Englewood, Glades County, Hendry County, Punta Gorda — Port Charlotte, Dalton, Lafayette, Laurel, Petersburg; July 8, 1963, Fairmont; January 1, 1964, New Albany; March 1, 1964, Albert Lea; July 1, 1964, Adrian; January 1, 1965, Trenton; February 28, 1965, Leamington; March 31, 1965, Council Bluffs; July 14, 1965, Bathurst; July 30, 1965, Herkimer; August 15, 1965, Greenville.
- (2) Provision for depreciation is based on the maximum amounts allowable for income tax purposes. In addition the following amounts representing depreciation adjustments on appraisal increase have been charged to appraisal surplus: 1961 — \$81,880; 1962 — \$269,763; 1963 — \$207,288; 1964 — \$134,138; 1965 — \$95,887.
- (3) Provisions for taxes on income shown in the above statement have been adjusted where necessary to actual amounts paid or payable on the basis of assessment notices issued by the respective taxing authorities for the years for which such notices were received. For the years in respect of which no notices of assessment have been received no material adjustment is expected to occur on assessment.
- (4) Conversion of U.S. currency is at the average rate for each period except for depreciation which is based on the cost of fixed assets converted at the average rate for the period of acquisition and income tax which is at the rate prevailing at the end of each period.

TO THE DIRECTORS,
THOMSON NEWSPAPERS LIMITED.

We have examined the above statement of consolidated net earnings of Thomson Newspapers Limited and its subsidiary companies for the ten years and eight months ended August 31, 1965. For Thomson Newspapers Limited and those subsidiaries of which we are the auditors, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With respect to those subsidiaries of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to accept for purposes of consolidation the reports of the other auditors.

In our opinion the statement of consolidated net earnings presents fairly the results of the companies' operations for the ten years and eight months ended August 31, 1965, in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

Toronto, Canada,
November 22, 1965.

(signed) THORNE, MULHOLLAND, HOWSON & MCPHERSON,
Chartered Accountants.

Current Operations

Earnings in the first eight months of 1965 have been approximately 24% in excess of unaudited earnings in the similar period of 1964, of which 7% was accounted for by newspapers acquired since the beginning of 1964. It is expected that operations for the balance of 1965 will continue to show a significant improvement over last year.

Growth in Profitability

In the ten years 1955-1964, in which the aggregate circulation of Thomson Newspapers more than doubled, consolidated net earnings of the Company rose from \$424,069 in 1955 to \$2,709,568 in 1964, or by more than 6 times. Earnings of newspapers acquired since the beginning of 1955 are included from the dates set forth in note 1 to the foregoing Statement of Consolidated Net Earnings.

Some of the principal reasons for the growth in the Company's profitability have been the following:

Prior to their acquisition by the Company, many of its newspapers were under relatively conservative individual management and physical plant and equipment were frequently inadequate. The application to these newspapers of adequate capital investment, progressive management, proper planning and up-to-date business techniques, together with other benefits made available by the Thomson organization, have materially increased their efficiency.

Experience over the past twenty years has been that newspaper circulation is on average closely related to adult population. Since most Thomson Newspapers are in growing communities, rising circulations have enabled them to replace or to make more efficient use of their plant and equipment and to increase advertising revenue.

For many years expenditure on newspaper advertising has risen significantly faster than the volume of retail trade, while retail trade in turn has risen significantly faster than population. The impact of this on Thomson Newspapers is illustrated by an increase in advertising revenue per unit of circulation of over 27% in the period 1955-1964.

A recent study in the industry shows that over the past twenty years there has on average been a steady and significant decline in the number of families taking more than a single newspaper. This general tendency, combined with the constant improvement of the newspapers in the Thomson group, is reflected in the increased ability of Thomson Newspapers to add to their impact on local and regional areas by competing successfully in these areas with more distant metropolitan dailies.

A combination of growing population, an even faster rise in newspaper advertising expenditures, and a growth in the ability of regional newspapers to dominate their local markets, continues to improve the basic economic position of Thomson Newspapers. It is expected that these favourable economic factors, together with aggressive and efficient management and the continuous improvement of properties, will result in the Company's favourable profitability trend continuing into the future.

Capitalization

(as at August 31, 1965, after giving effect to the transactions and proposed transactions referred to on page 8 hereof in Note 1 to the consolidated balance sheets, including the issue of the common shares offered by this prospectus)

	Authorized (Note 1)	Outstanding
First Mortgage Bonds		
Serial 4¼% Bonds, 1955 Series, due October 1, 1965		\$ 100,000
Sinking Fund 5% Bonds, 1955 Series, due October 1, 1975		3,900,000
6% Sinking Fund Bonds, 1960 Series, due November 1, 1980		3,400,000
Mortgage payable		24,167
Notes and Mortgages payable of subsidiary companies		3,366,158
Preference Shares, issuable in series, par value \$50 each	200,000 shs.	—
Common Shares without par value (Notes 1 and 2)	10,000,000 shs.	4,778,540 shs.

NOTES: (1) The Trust Deed securing the First Mortgage Bonds of the Company does not impose any fixed limitation on the amount of Bonds issuable thereunder but provides that additional Bonds may be issued only subject to the restrictions therein contained. The Trust Deed also contains certain restrictions on the payment of dividends on the Company's common shares as summarized in paragraph 9 of the statutory information forming part of this prospectus.

(2) By agreement dated November 19, 1965 the Company agreed to sell to its parent company, The Woodbridge Company Limited, and The Woodbridge Company Limited agreed to purchase, 200,000 common shares of the Company at \$15.50 per share, 25,000 of such shares to be purchased quarterly on March 31, June 30, September 30 and December 31 in each of the years 1966 and 1967.

Dividend Policy

The Directors of the Company have expressed their intention, subject to the factors usually considered at the time of the declaration of dividends, to initiate dividend payments on the common shares of the Company on a quarterly basis at the rate of 44 cents per annum. It is accordingly the intention of the Directors, subject to such factors, to declare the first regular quarterly dividend of 11 cents per common share payable on March 15, 1966 to shareholders of record on February 15, 1966.

Yours very truly,

(signed) K. R. THOMSON,

Chairman of the Board and President

Thomson Newspapers Limited
and its Subsidiary Companies

Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet
August 31, 1965

After giving effect as at August 31, 1965 in the pro forma consolidated balance sheet to the transactions and proposed transactions set out in note 1 to the balance sheets.

	Assets	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet
CURRENT ASSETS:			
Cash.....		\$ 3,609,227	\$ 5,699,227
Term deposits and other short-term investments.....		249,511	249,511
Trade accounts receivable, after allowance of \$435,600 for doubtful accounts.....		3,221,957	3,221,957
Other accounts receivable.....		183,834	183,834
Payments due within one year on mortgages, notes receivable and agreements of sale.....		219,032	219,032
Inventories, at the lower of cost or market.....		484,484	484,484
Prepaid expenses.....		278,182	278,182
		<u>8,246,227</u>	<u>10,336,227</u>
MORTGAGES, NOTES RECEIVABLE AND AGREEMENTS OF SALE.....		249,419	249,419
NOTES OF AND ADVANCES TO ASSOCIATED COMPANIES.....		554,058	554,058
INVESTMENTS, AT COST.....		88,829	88,829
LIFE INSURANCE, CASH SURRENDER VALUE.....		193,400	193,400
FIXED ASSETS:			
Land, buildings, machinery and equipment (note 2).....	\$37,291,524		
Less: Accumulated depreciation.....	<u>14,167,344</u>	23,124,180	23,124,180
PUBLISHING RIGHTS AND GOODWILL, AT COST.....		8,599,753	8,599,753
EXCESS OF COST OF SHARES OF SUBSIDIARY COMPANIES ACQUIRED SINCE DECEMBER 31, 1963 OVER BOOK VALUE OF ASSETS OF SUCH SUBSIDIARY COMPANIES (note 3).....		1,544,740	1,544,740
		<u>\$42,600,606</u>	<u>\$44,690,606</u>
Liabilities			
CURRENT LIABILITIES:			
Bank loan.....		\$ 733,500	\$ 733,500
Accounts payable and accrued expenses.....		1,581,346	1,581,346
Interest payable and accrued.....		175,447	175,447
Income taxes payable.....		1,080,271	1,080,271
Notes payable.....		152,000	152,000
Principal instalments due within one year on long-term liabilities....		1,835,166	1,126,400
Prepaid subscriptions.....		352,405	352,405
		<u>5,910,135</u>	<u>5,201,369</u>
LONG-TERM LIABILITIES (note 4).....		19,280,450	10,790,325
Less: Principal instalments due within one year included under current liabilities.....		1,835,166	1,126,400
		<u>17,445,284</u>	<u>9,663,925</u>
INTEREST OF MINORITY COMMON SHAREHOLDERS OF SUBSIDIARY COMPANIES.....		41,194	41,194
Shareholders' Equity			
CAPITAL STOCK (note 5).....		499,920	11,119,920
RETAINED EARNINGS.....		17,273,748	17,233,873
APPRAISAL SURPLUS (note 6).....		1,430,325	1,430,325
		<u>19,203,993</u>	<u>29,784,118</u>
		<u>\$42,600,606</u>	<u>\$44,690,606</u>

Approved on behalf of the Board:

(signed) K. R. THOMSON, Director

(signed) S. F. CHAPMAN, Director

The accompanying notes are an integral part of these balance sheets.

Thomson Newspapers Limited
and its Subsidiary Companies

Notes to Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet
August 31, 1965

1. The pro forma consolidated balance sheet is after giving effect, as at August 31, 1965, to the following transactions and proposed transactions:

- (a) The issue to the Company of supplementary letters patent dated November 3, 1965
 - (i) reducing the authorized capital of the Company by the cancellation of the 130,000 unissued 5% Cumulative Redeemable Preference Shares with a par value of \$10 each of the Company;
 - (ii) increasing the authorized capital of the Company by the creation of 200,000 Preference Shares with a par value of \$50 each, issuable in series; and
 - (iii) subdividing the 300,000 issued and unissued common shares without par value of the Company into 6,000,000 common shares without par value and increasing the authorized capital of the Company by the creation of an additional 4,000,000 common shares without par value ranking in all respects pari passu with the said 6,000,000 common shares.
- (b) The issue and sale by the Company to Wood, Gundy & Company Limited of 720,000 common shares without par value pursuant to an agreement dated November 22, 1965 for \$10,620,000 cash, the payment of expenses of the issue estimated at \$60,000 and the charge to retained earnings of the said expenses.
- (c) The application of the cash proceeds of the sale of the 720,000 common shares without par value to the retirement of bank indebtedness of a subsidiary company in the amount of \$7,875,500 (U.S.) or \$8,470,000 (Can.) converted at the exchange rate prevailing on November 18, 1965; and the credit to retained earnings of the resulting exchange profit amounting to \$20,125 (Can.).

2. **FIXED ASSETS:**

The following fixed assets are stated at depreciated replacement values in accordance with the reports of Cooper Appraisals Limited dated:

- (a) June 30, 1955 — the fixed assets owned at June 30, 1955.
— the fixed assets acquired at August 8, 1955 used in connection with the publication of The Sudbury Star.
- (b) May 31, 1950 — the fixed assets of Quebec Newspapers Limited consolidated for the first time in 1961.
- (c) June 30, 1960 — the fixed assets, at date of acquisition, of newspapers acquired from October 1, 1955 to June 30, 1960.
- (d) August 31, 1965 — the fixed assets of Times-Journal of Fort William, Limited.

All other fixed assets are stated at cost.

3. **EXCESS OF COST OF SHARES OF SUBSIDIARY COMPANIES ACQUIRED SINCE DECEMBER 31, 1963:**

As referred to in note 6, the excess of cost of shares of subsidiary companies acquired to December 31, 1963 over the book value of the assets of such subsidiary companies has been charged to appraisal surplus.

Thomson Newspapers Limited
and its Subsidiary Companies

Notes to Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet (Continued)
August 31, 1965

4. LONG-TERM LIABILITIES:

FIRST MORTGAGE BONDS:

	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet
Serial 4¼% bonds, 1955 series, maturing October 1, 1965.....	\$ 100,000	\$ 100,000
Sinking fund 5% bonds, 1955 series, maturing October 1, 1975..	3,900,000	3,900,000
6% sinking fund bonds, 1960 series, maturing November 1, 1980	3,400,000	3,400,000
	<u>7,400,000</u>	<u>7,400,000</u>

MORTGAGE PAYABLE:

6% payable \$416.66 principal monthly, maturing March 1, 1970	24,167	24,167
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5½% INTERIM NOTES PAYABLE OF SUBSIDIARY COMPANY:

Issued pursuant to loan agreement dated July 15, 1964, exchangeable for term notes on or before December 31, 1965 payable 1-1/24% per month from January 31, 1966 to November 30, 1969, with the balance payable December 31, 1969 (\$7,875,500 U.S.).....	8,490,125	—
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NOTES PAYABLE OF SUBSIDIARY COMPANIES:

Non-interest bearing note, payable \$300,000 (U.S.) annually October 16, 1965-67 inclusive, final payment of \$325,000 (U.S.) due October 16, 1968 (\$1,225,000 U.S.).....	1,320,305	1,320,305
4% payable \$75,000 (U.S.) annually February 28, 1966-70 inclusive, final payment of \$120,000 (U.S.) due February 28, 1971 (\$495,000 U.S.).....	533,457	533,457
4½% payable \$20,000 (U.S.) annually January 6, 1966-67 inclusive, final payment of \$15,000 (U.S.) due January 6, 1968 (\$55,000 U.S.).....	59,469	59,469
5% payable \$256,146 (U.S.) annually March 31, 1966-69 inclusive (\$1,024,584 U.S.).....	1,111,674	1,111,674
	<u>3,024,905</u>	<u>3,024,905</u>

MORTGAGES PAYABLE OF SUBSIDIARY COMPANIES:

4½% payable \$64.50 (U.S.) monthly including interest, maturing October 1, 1981 (\$8,873 U.S.).....	9,563	9,563
5½% payable \$2,761.50 (U.S.) monthly including interest, maturing March 25, 1985 (\$305,705 U.S.).....	331,690	331,690
	<u>341,253</u>	<u>341,253</u>
	19,280,450	10,790,325

Less: Principal instalments due within one year included under current liabilities.....	1,835,166	1,126,400
	<u>\$17,445,284</u>	<u>\$ 9,663,925</u>

5. CAPITAL STOCK:

Consolidated balance sheet:

Authorized:

130,000 5% cumulative preference shares with a par value of \$10 each, redeemable at \$10.25 per share.
300,000 common shares without par value.

Issued:

202,927 common shares.....	<u>\$ 499,920</u>
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Pro forma consolidated balance sheet:

Authorized:

200,000 Preference Shares with a par value of \$50 each, issuable in series.
10,000,000 common shares without par value.

Issued:

4,778,540 common shares.....	<u>\$ 11,119,920</u>
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Thomson Newspapers Limited
and its Subsidiary Companies

Notes to Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet (Continued)

August 31, 1965

6. APPRAISAL SURPLUS:

Appraisal surplus has been reduced by \$4,774,462, being the excess of cost of shares of subsidiary companies acquired to December 31, 1963 over the book value of the assets of such subsidiary companies, and by the transfer to accumulated depreciation of amounts representing depreciation adjustments on appraisal increase.

7. CONVERSION OF U.S. CURRENCY:

The accounts of the subsidiary companies in the United States have been converted on the following basis:

- (a) current assets and current liabilities, at the exchange rate prevailing at the balance sheet date.
- (b) all other assets and liabilities, at the rate prevailing at the date the assets were acquired or the liabilities incurred.

Thomson Newspapers Limited
and its Subsidiary Companies

**Consolidated Statement of Retained Earnings
for the period from January 1, 1964 to August 31, 1965**

	Year ended December 31, 1964	Eight months ended August 31, 1965
Retained earnings at beginning of period.....	\$12,788,006	\$15,386,812
Net earnings for the period.....	2,709,568	1,911,483
Surplus on winding up of a subsidiary company.....	39,393	—
	<u>15,536,967</u>	<u>17,298,295</u>
Deduct:		
Dividends paid on preference shares.....	10,000	6,667
Loss on disposal of fixed assets.....	140,155	17,880
	<u>150,155</u>	<u>24,547</u>
RETAINED EARNINGS AT END OF PERIOD.....	<u>\$15,386,812</u>	<u>\$17,273,748</u>

Auditors' Report

TO THE DIRECTORS,
THOMSON NEWSPAPERS LIMITED.

We have examined the consolidated balance sheet of Thomson Newspapers Limited and its subsidiary companies as at August 31, 1965 and the consolidated statement of retained earnings for the year and eight months ended on that date. For Thomson Newspapers Limited and those subsidiaries of which we are the auditors, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With respect to those subsidiaries of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to accept for purposes of consolidation the reports of the other auditors.

In our opinion the accompanying consolidated balance sheet, supplemented by the notes thereto, and the related consolidated statement of retained earnings present fairly the consolidated financial position of Thomson Newspapers Limited and its subsidiary companies as at August 31, 1965, in accordance with generally accepted accounting principles.

We further report that, in our opinion, the accompanying pro forma consolidated balance sheet, supplemented by the notes thereto, presents fairly the consolidated financial position of the companies as at August 31, 1965, after giving effect as at that date to the transactions set out in note 1 to the balance sheets, in accordance with generally accepted accounting principles.

Toronto, Canada,
November 22, 1965.

(signed) THORNE, MULHOLLAND, HOWSON & MCPHERSON,
Chartered Accountants.

Statutory Information

1. The full name of the Company is Thomson Newspapers Limited (hereinafter called the "Company"). The address of the head office of the Company is Mississauga Road, Port Credit, Ontario, and its chief executive offices are at 425 University Avenue, Toronto, Ontario.
2. Letters Patent dated June 30, 1947 were issued under The Companies Act (Ontario) confirming an agreement between Northern Broadcasting and Publishing Limited and Thomson Publishing Company Limited for amalgamation as a corporation under the name The Thomson Company Limited and Supplementary Letters Patent were issued to the Company dated December 8, 1950, October 3, 1958 and November 3, 1965. The Supplementary Letters Patent dated November 3, 1965 (i) reduced the authorized capital of the Company by the cancellation of the 130,000 unissued 5% Cumulative Redeemable Preference Shares with a par value of \$10 each of the Company; (ii) increased the authorized capital of the Company by the creation of 200,000 Preference Shares with a par value of \$50 each, issuable in series; and (iii) subdivided the 300,000 issued and unissued common shares without par value of the Company into 6,000,000 common shares without par value and increased the authorized capital of the Company by the creation of an additional 4,000,000 common shares without par value ranking in all respects pari passu with the said 6,000,000 common shares. The Supplementary Letters Patent dated October 3, 1958 changed the name of the Company from The Thomson Company Limited to Thomson Newspapers Limited. Northern Broadcasting and Publishing Limited was incorporated under The Companies Act (Ontario) by Letters Patent dated August 30, 1932 and Supplementary Letters Patent were issued to Northern Broadcasting and Publishing Limited dated September 29, 1939 and January 19, 1940. Thomson Publishing Company Limited was incorporated under The Companies Act (Ontario) by Letters Patent dated May 31, 1944.
3. The general nature of the business actually transacted and to be transacted by the Company is that of publishing newspapers.
4. The names in full, present occupations and home addresses in full of the directors and officers of the Company are as follows:

Directors

THE RT. HON. LORD THOMSON OF FLEET	Publisher	Alderbourne Arches, Fulmer, Buckinghamshire, England.
KENNETH ROY THOMSON	Publisher	8 Castle Frank Road, Toronto, Ontario.
SIDNEY FRANK CHAPMAN, C.A.	Executive	2072 Mississauga Road, Port Credit, Ontario.
HENRY JAMES FOSTER	Publisher	14 Elgin Street East, Welland, Ontario.
ALLAN HOLMES	Publisher	2 Lansdowne Road North, Galt, Ontario.
IAN HECTOR MACDONALD	Executive	29 Eighth Line South, Oakville, Ontario.
ST. CLAIR LANDERKIN McCABE	Executive	1190 Mona Road, Port Credit, Ontario.
EDWIN CHARLES McDONALD	Executive	Stone Leigh, Alger Court, Bronxville, New York.
JOHN ARNOLD TORY, Q.C.	Barrister	126 Cheltenham Avenue, Toronto, Ontario.

Officers

THE RT. HON. LORD THOMSON OF FLEET.....	Honorary Chairman.....	Alderbourne Arches, Fulmer, Buckinghamshire, England.
KENNETH ROY THOMSON.....	Chairman of the Board.....	8 Castle Frank Road, Toronto, Ontario.
IAN HECTOR MACDONALD.....	Deputy Chairman.....	29 Eighth Line South, Oakville, Ontario.
ST. CLAIR LANDERKIN MCCABE.....	Executive Vice-President... and Managing Director	1190 Mona Road, Port Credit, Ontario.
SIDNEY FRANK CHAPMAN, C.A.....	Vice-President and..... Secretary-Treasurer	2072 Mississauga Road, Port Credit, Ontario.
JOHN JAMES STEPHENSON, C.A.....	Assistant Secretary-..... Treasurer	1627 Sherway Drive, Cooksville, Ontario.

5. The auditors of the Company are Messrs. Thorne, Mulholland, Howson & McPherson, Chartered Accountants, 111 Richmond Street West, Toronto, Ontario.

6. The registers in respect of the First Mortgage Bonds of the Company are kept at the offices of Montreal Trust Company at 112 King Street West, Toronto, Ontario and 777 Dorchester Boulevard West, Montreal, Quebec.

The transfer agent and registrar for the common shares in the capital of the Company is Montreal Trust Company, 112 King Street West, Toronto, Ontario, 777 Dorchester Boulevard West, Montreal, Quebec and 466 Howe Street, Vancouver, British Columbia.

7. The authorized capital of the Company consists of 200,000 Preference Shares with a par value of \$50 each, issuable in series, none of which have been issued, and 10,000,000 common shares without par value, of which 4,058,540 shares (exclusive of the shares offered by this prospectus) have been issued and are outstanding as fully paid.

8. The Preference Shares with a par value of \$50 each (hereinafter called "Preference Shares") have attached thereto, as a class, preferences, rights, conditions, restrictions, limitations and prohibitions substantially as follows:

- (a) The Preference Shares may at any time or from time to time be issued in one (1) or more series, each series to consist of such number of shares as may before the issue thereof be determined by the directors; the directors of the Company may (subject as hereinafter provided) by resolution fix from time to time before the issue thereof the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Preference Shares of each series including, without limiting the generality of the foregoing, the rate of preferential dividends, the dates of payment thereof, the redemption price and terms and conditions of redemption, conversion rights (if any) and any sinking fund or other provisions, the whole subject to the issue of Supplementary Letters Patent setting forth the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Preference Shares of such series;
- (b) The Preference Shares of each series shall be entitled to preference over the common shares of the Company and any other shares ranking junior to the Preference Shares, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs and may also be given such other preferences over the common shares of the Company and any other shares ranking junior to the Preference Shares as may be determined as to the respective series authorized to be issued;
- (c) The Preference Shares of each series shall rank on a parity with the Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs; no series of Preference Shares shall be authorized which shall be entitled to dividends in excess of eight per cent (8%) per annum on the amounts from time to time paid up thereon or be entitled to receive upon liquidation, dissolution or winding up or upon redemption a sum in excess of one hundred and ten per cent (110%) of the amounts paid up thereon plus a sum equivalent to all unpaid dividends accumulated thereon;

- (d) No dividends shall at any time be declared or paid or set apart for payment on any shares of the Company ranking junior to the Preference Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Company ranking junior to the Preference Shares nor shall the Company call for redemption or purchase for cancellation or reduce or otherwise pay off any of the Preference Shares (less than the total amount then outstanding) or any shares of the Company ranking junior to the Preference Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment off;
- (e) The holders of the Preference Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting (but shall be entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof) until such time as dividends on the Preference Shares of any one (1) series are in arrears (whether or not such dividends have been declared and whether or not there are any moneys of the Company properly applicable to the payment of dividends) in an aggregate amount equal to six (6) quarterly dividends thereon; whereupon so long as any dividends on the Preference Shares of any series remain in arrears the holders of the Preference Shares of all series then issued and outstanding shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and shall be entitled to one (1) vote in respect of each Preference Share held;
- (f) The holders of the Preference Shares shall not be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or of bonds, debentures or other securities of the Company now or hereafter authorized otherwise than in accordance with the exercise of the rights, if any, which may from time to time attach to any series of the Preference Shares; and
- (g) The authorization required by subsection (4) of section 33 of The Corporations Act to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Preference Shares as a class or to create preference shares ranking in priority to or on a parity with the Preference Shares may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Preference Shares duly called for that purpose and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding Preference Shares are present or represented by proxy; if at any such meeting the holders of a majority of the outstanding Preference Shares are not present or represented by proxy within one-half ($\frac{1}{2}$) an hour after the time appointed for such meeting, then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be appointed by the Chairman and not less than fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by at least two-thirds ($\frac{2}{3}$) of the votes cast at such adjourned meeting shall constitute the authorization of the holders of the Preference Shares referred to above; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Preference Shares shall be entitled to one (1) vote in respect of each Preference Share held.

Subject to the provisions hereinbefore set forth with respect to the Preference Shares, the rights of the holders of the common shares of the Company are not limited and such common shares carry the right to one (1) vote per share at all meetings of shareholders of the Company.

Reference is made to the restrictions referred to under the heading "*Restrictions on Payment of Dividends*" in paragraph 9 on page 14 hereof.

9. The Company has outstanding \$3,750,000 aggregate principal amount of First Mortgage Sinking Fund 5% Bonds, 1955 Series dated October 1, 1955, maturing on October 1, 1975 and bearing interest at the rate of 5% per annum and \$3,250,000 aggregate principal amount of 6% First Mortgage Sinking Fund Bonds, 1960 Series dated November 1, 1960, maturing on November 1, 1980 and bearing interest at the rate of 6% per annum.

The First Mortgage Sinking Fund 5% Bonds, 1955 Series (hereinafter referred to as the "1955 Series Bonds") were issued pursuant to a Deed of Trust and Mortgage dated as of October 1, 1955 and

made between the Company and Montreal Trust Company, as Trustee, (hereinafter referred to as the "Trust Deed") and the 6% First Mortgage Sinking Fund Bonds, 1960 Series (hereinafter referred to as the "1960 Series Bonds") were issued pursuant to the Trust Deed and a Supplemental Deed of Trust and Mortgage dated as of November 1, 1960 and made between the Company and Montreal Trust Company, as Trustee (hereinafter referred to as the "Supplemental Trust Deed").

The 1955 Series Bonds are redeemable prior to maturity, otherwise than out of sinking fund moneys, in whole at any time or in part from time to time at the option of the Company on not less than 30 days notice at the principal amount thereof plus a premium of 2.50% of such principal amount if redeemed on or before October 1, 1966 and thereafter at premiums declining $\frac{1}{4}$ of 1% of such principal amount for each year or portion thereof elapsed after October 1, 1966 to the date specified for redemption; and out of sinking fund moneys at the principal amount thereof; together in all cases with interest accrued to the date specified for redemption. The Company has covenanted in the Trust Deed to pay to the Trustee, as and by way of a sinking fund for the 1955 Series Bonds, on or before October 1 in each of the years 1966 to 1974, both inclusive, a sum sufficient to retire \$250,000 principal amount of 1955 Series Bonds.

The 1960 Series Bonds are redeemable prior to maturity, otherwise than out of sinking fund moneys, in whole at any time or in part from time to time at the option of the Company on not less than 30 days notice at the principal amount thereof plus a premium of 4.25% of such principal amount if redeemed on or before November 1, 1966 and thereafter at premiums declining .35 of 1% of such principal amount for each year or portion thereof elapsed after November 1, 1966 to the date specified for redemption; and out of sinking fund moneys at the principal amount thereof; together in all cases with interest accrued to the date specified for redemption. The Company has covenanted in the Supplemental Trust Deed to pay to the Trustee, as and by way of a sinking fund for the 1960 Series Bonds, on or before November 1 in each of the years 1966 to 1979, both inclusive, a sum sufficient to retire \$150,000 principal amount of 1960 Series Bonds.

The 1955 Series Bonds and the 1960 Series Bonds are secured by a specific first charge on all assets of a fixed or permanent nature now owned or hereafter acquired by the Company and on all shares, bonds, debentures and other securities now owned or hereafter acquired by the Company in or of its subsidiaries and by a first floating charge on all other assets of the Company, both present and future, and by the joint and several unconditional guarantees of all wholly-owned subsidiaries of the Company supported by a specific first charge on all assets of a fixed or permanent nature now owned or hereafter acquired by such subsidiaries and a first floating charge on all their other assets, both present and future. The Trust Deed contains a provision requiring the Company to cause all wholly-owned subsidiaries hereafter acquired to give similar guarantees and charges.

The Trust Deed does not impose any fixed limitation on the principal amount of First Mortgage Bonds issuable thereunder but provides that additional Bonds may be issued only subject to the restrictions therein contained.

Restrictions on Payment of Dividends

The Trust Deed and the Supplemental Trust Deed contain provisions to the effect that so long as any of the 1955 Series Bonds or 1960 Series Bonds remain outstanding the Company will not redeem, purchase or retire any shares of its capital stock or declare or pay any dividends on any such shares when the consolidated net current assets (as therein defined) of the Company and its wholly-owned subsidiary companies are less than or which would reduce such consolidated net current assets below \$500,000 or when the consolidated earned surplus of the Company and its wholly-owned subsidiary companies (determined in accordance with sound accounting practice) is less than or which would reduce such consolidated earned surplus below \$2,280,000; provided, however, that such provisions do not apply to or prevent the Company from paying dividends on its preference shares at any time outstanding nor from purchasing or redeeming any of its preference shares out of the proceeds of an issue of shares of its capital stock made at any time concurrently with or prior to such purchase or redemption.

As at August 31, 1965, the consolidated net current assets (as defined in the Trust Deed) of the Company and its wholly-owned subsidiary companies amounted to \$2,091,860 and the consolidated earned surplus of the Company and its wholly-owned subsidiary companies amounted to \$15,588,753.

As at the date hereof the Company has outstanding unsecured notes to its bankers in the aggregate amount of \$500,000.

Under the terms of a certain Loan Agreement dated July 15, 1964 between the Company, Thomson Newspapers Inc., Chemical Bank New York Trust Company and a Canadian chartered bank, the Company guaranteed certain indebtedness of Thomson Newspapers Inc. to the said banks which indebtedness amounts to \$7,875,500 (U.S.) at the date hereof. Such indebtedness will be repaid concurrently with the issue of the common shares offered by this prospectus.

Except as aforesaid, there are no bonds, debentures or other securities of the Company outstanding or proposed to be issued which rank or which, if issued, will rank ahead of the common shares offered by this prospectus.

10. The Company does not propose to create or assume any substantial indebtedness which is not shown in the pro forma consolidated balance sheet as at August 31, 1965 forming part of this prospectus, except any indebtedness which may be incurred in connection with the acquisition of additional newspapers. The amount and nature of such indebtedness, if any, is not presently determinable.

11. No securities of the Company are covered by options outstanding or proposed to be given by the Company.

By Agreement dated November 19, 1965 the Company agreed to sell to its parent company, The Woodbridge Company Limited, and The Woodbridge Company Limited agreed to purchase, 200,000 common shares without par value of the Company at a price of \$15.50 per share, 25,000 of such shares to be sold and purchased quarterly on March 31, June 30, September 30 and December 31 in each of the years 1966 and 1967.

12. The number and class of securities offered by this prospectus, the correct descriptive title thereof, the offering price to the public and the terms of offering are set out on the front page of this prospectus to which reference is hereby made.

The price at which the common shares offered by this prospectus are to be issued by the Company is as stated in paragraph 16 hereof and is payable in full in cash upon the delivery of certificates representing such shares.

No securities of the Company have been offered for subscription within the two years preceding the date hereof.

13. The estimated net proceeds to be derived by the Company from the sale of the common shares offered by this prospectus on the basis of the same being fully taken up and paid for are \$10,620,000 less legal, auditing, printing and other expenses in connection with the issue thereof (which expenses are estimated at \$60,000).

14. The proceeds to be derived by the Company from the sale of the common shares offered by this prospectus will be used to purchase unissued shares of and to make advances to its principal United States subsidiary, Thomson Newspapers Inc. Thomson Newspapers Inc. will apply the funds received by it to the repayment in full of outstanding notes payable in U.S. dollars to United States and Canadian banks in the amount of U.S. \$7,875,500 (Canadian \$8,470,000 approximately) outstanding pursuant to the Loan Agreement referred to in paragraph 9 hereof and the balance of such funds will be added to its working capital.

No provision has been made for the holding in trust of the proceeds of the issue of the common shares offered by this prospectus pending or subject to the fulfilment of any conditions.

15. In the opinion of the directors, no minimum amount must be raised by the issue of the common shares offered by this prospectus. The amount to be raised by the issue of such common shares is fixed under the terms of the Agreement referred to in paragraph 16 hereof.

16. By Agreement dated November 22, 1965 between the Company and Wood, Gundy & Company Limited, the Company agreed to sell and Wood, Gundy & Company Limited agreed to purchase the 720,000 common shares offered by this prospectus for an aggregate price of \$10,620,000 payable in cash against delivery of certificates representing such shares, the whole upon and subject to the terms and conditions set forth in the said Agreement.

17. The by-laws of the Company contain the following provision as to the remuneration of the directors:

"The remuneration to be paid to the Directors shall be such as the Board shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer of the Company who is also a member of the Board of Directors."

18. The aggregate remuneration paid by the Company during its last financial year ended December 31, 1964 to the directors of the Company as such was \$3,000 and to those officers of the Company who individually received remuneration in excess of \$10,000 per annum was \$118,102. It is estimated that the aggregate remuneration paid or payable by the Company during the current financial year to the directors of the Company as such will be \$3,000 and to those officers of the Company who individually have received or may be entitled to receive remuneration in excess of \$10,000 per annum will be \$135,404.

19. No amount has been paid within the two years preceding the date hereof or is payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company. Reference is made to paragraph **16** hereof as to the price at which the common shares offered by this prospectus will be sold by the Company to Wood, Gundy & Company Limited.

20. The Company has been carrying on business for more than one year.

21. & 22. Except as referred to in paragraph **14** hereof, no property has been purchased or acquired by the Company or is proposed to be purchased or acquired, the purchase price of which is to be defrayed in whole or in part out of the proceeds of the issue of the common shares offered by this prospectus, or the purchase or acquisition of which has not been completed at the date hereof. No property has been purchased or acquired by the Company or is proposed to be purchased or acquired, the purchase price of which has been paid within the two years preceding the date hereof or is to be paid in whole or in part in securities of the Company.

23. No securities of the Company have, within the two years preceding the date hereof, been issued or agreed to be issued as fully or partly paid up otherwise than in cash.

24. No obligations are offered by this prospectus.

25. No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the issue of the common shares offered by this prospectus. No services have been paid within the two years preceding the date of this prospectus or are now proposed to be paid for by securities of the Company.

26. No amount has been paid within the two years preceding the date hereof or is now intended to be paid to any promoter.

27. The Company has not entered into any material contracts within the two years preceding the date hereof other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company except:

- (a) Agreement between the Company and Wood, Gundy & Company Limited dated November 22, 1965 and referred to in paragraph **16** hereof.
- (b) Loan Agreement between the Company, Thomson Newspapers Inc., Chemical Bank New York Trust Company and a Canadian chartered bank dated July 15, 1964 and referred to in paragraph **9** hereof.
- (c) Agreement between the Company and The Woodbridge Company Limited dated November 19, 1965 and referred to in paragraph **11** hereof.

Copies of the foregoing contracts may be inspected during ordinary business hours at the chief executive offices of the Company, 425 University Avenue, Toronto, Ontario, while the common shares offered by this prospectus are in the course of primary distribution to the public.

28. No director of the Company is interested in any property proposed to be acquired by the Company.

29. The Company has been carrying on business for more than three years.

30. The Woodbridge Company Limited, 425 University Avenue, Toronto, Ontario, by reason of beneficial ownership of securities of the Company is in a position to elect or cause to be elected a majority of the directors of the Company. The Woodbridge Company Limited is controlled, through a holding company, by members of the family of Lord Thomson of Fleet.

31. No securities of the Company of the same class as those offered hereby are held in escrow.

32. No dividends have been paid by the Company during the five years preceding the date hereof except dividends in the aggregate amount of \$10,000 per year paid by the Company on its 5% Cumulative Redeemable Preference Shares with a par value of \$10 each which were purchased for cancellation and cancelled on August 31, 1965.

33. There are no other material facts not disclosed in the foregoing. Reference is made to the attached letter from Mr. K. R. Thomson, the Chairman of the Board and President of the Company, which forms part of this prospectus.

DATED: November 22, 1965.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Part IX of The Securities Act, 1955 (Alberta), by Part VII of the Securities Act, 1962 (British Columbia), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Section 39 of The Securities Act (Ontario), by the Quebec Securities Act and by Section 39 of The Securities Act, 1954 (Saskatchewan), and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(signed) K. R. THOMSON

(signed) THOMSON OF FLEET

(signed) ALLAN HOLMES

(signed) S. F. CHAPMAN

(signed) E. C. McDONALD

— by their agent

(signed) HENRY J. FOSTER

(signed) ST. CLAIR McCABE

(signed) I. H. MACDONALD

(signed) ST. CLAIR McCABE

(signed) JOHN A. TORY

Underwriters

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Part IX of The Securities Act, 1955 (Alberta), by Part VII of the Securities Act, 1962 (British Columbia), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Section 39 of The Securities Act (Ontario), by the Quebec Securities Act and by Section 39 of The Securities Act, 1954 (Saskatchewan), and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

WOOD, GUNDY & COMPANY LIMITED

By: (signed) W. P. WILDER

The following includes the name of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Wood, Gundy & Company Limited: C. L. Gundy, W. P. Scott, W. P. Wilder, J. N. Cole, E. H. Ely, E. S. Johnston, D. B. Dingle, J. K. McCausland and D. Ross.

DIRECTORS

The directors of the Company are:

NAME	OCCUPATION	ADDRESS
The Rt. Hon. Lord Thomson of Fleet	Publisher	Alderbourne Arches, Fulmer, Buckinghamshire, England.
Kenneth Roy Thomson	Publisher	8 Castle Frank Road, Toronto, Ontario.
Sidney Frank Chapman, C.A.	Executive	2072 Mississauga Road, Port Credit, Ontario.
Henry James Foster	Publisher	14 Elgin Street East, Welland, Ontario.
Allan Holmes	Publisher	2 Lansdowne Road North, Galt, Ontario.
Ian Hector Macdonald	Executive	29 Eighth Line South, Oakville, Ontario.
St. Clair Landerkin McCabe	Executive	1190 Mona Road, Port Credit, Ontario.
Edwin Charles McDonald	Executive	Stone Leigh, Alger Court, Bronxville, New York.
John Arnold Tory, Q.C.	Barrister	126 Cheltenham Avenue, Toronto, Ontario.

CERTIFICATE OF OFFICERS

Pursuant to a resolution duly passed by its Board of Directors, the applicant company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



THOMSON NEWSPAPERS LIMITED

“K. R. THOMSON”,
Chairman of the Board
and President.

“S. F. CHAPMAN”,
Vice-President and
Secretary-Treasurer.

CERTIFICATE OF UNDERWRITER

To the best of the knowledge, information and belief of the undersigned, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

WOOD, GUNDY & COMPANY LIMITED

“R. O. FUNSTON”,
Director.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

DISTRIBUTION OF COMMON STOCK AS OF DECEMBER 22nd, 1965

Number	Shares
488 Holders of 1 — 99 share lots	18,920
503 " " 100 — 199 " "	52,165
162 " " 200 — 299 " "	33,470
52 " " 300 — 399 " "	16,239
15 " " 400 — 499 " "	6,100
81 " " 500 — 999 " "	45,550
107 " " 1000 — up " "	4,606,096
<u>1,408</u> Shareholders	Total shares <u>4,778,540</u>

TORONTO STOCK EXCHANGE TORONTO

BULLETIN NO. 5355

December 29, 1965.

NEW LISTING

THOMSON NEWSPAPERS LIMITED

An application has been granted to list 4,973,540 common shares without par value of the above Company, of which 200,000 shares are subject to issuance. The shares will be posted for trading at the opening on Friday, December 31st. Ticker abbreviation "TIM"; Dial Ticker No. 2073; Post Section 5.1.

Listing Statement No. 2226 is being prepared and will be available soon. The following is some of the information that will be included in the Listing Statement.

Incorporated - under the laws of the Province of Ontario, June 30, 1947.

Head Office - Mississauga Road, Port Credit, Ontario.

Executive Office - 425 University Avenue, Toronto, Ontario.

Nature of Business - The general nature of the business actually transacted and to be transacted by the Company is that of publishing newspapers.

Transfer Agent and Registrar - Montreal Trust Company, Toronto, Montreal and Vancouver.

Directors -

The Rt. Hon. Lord Thomson of Fleet	- Publisher, England
Kenneth Roy Thomson	- Publisher, Toronto, Ont.
Sidney Frank Chapman, C.A.	- Executive, Port Credit, Ont.
Henry James Foster	- Publisher, Welland, Ont.
Allan Holmes	- Publisher, Galt, Ont.
Ian Hector MacDonald	- Executive, Oakville, Ont.
St. Clair Landerkin McCabe	- Executive, Port Credit, Ont.
Edwin Charles McDonald	- Executive, Bronxville, New York
John Arnold Tory, Q.C.	- Barrister, Toronto, Ont.

Officers-

Honary Chairman of the Board	- The Rt. Hon. Lord Thomson of Fleet
Chairman of the Board and President	- Kenneth Roy Thomson
Deputy Chairman	- Ian Hector MacDonald
Executive Vice-President and Managing Director	- St. Clair Landerkin McCabe
Vice-President and Secretary - Treasurer	- Sidney Frank Chapman, C.A.
Assistant Secretary-Treasurer	- John James Stephenson, C.A., Cooksville, Ont.

Control of the Company - The Woodbridge Company Limited is in a position to elect or cause to be elected a majority of the directors of the Company. The Woodbridge Company Limited is controlled, through a holding company, by members of the family of Lord Thomson of Fleet.

Capitalization as at December 28, 1965

<u>Share Capital</u>	<u>Authorized</u>	<u>Issued and Outstanding</u>	<u>To Be Listed</u>
Preference shares with a par value of \$50 each, issuable in series	200,000	nil	nil
Common shares without par value	10,000,000	4,773,540	4,973,540*
<u>Funded Debt</u>			
First Mortgage Bonds	No fixed limitation		
Sinking Fund 5% Bonds, 1955 Series, maturing October 1, 1975	\$5,000,000	\$3,750,000	nil
6% Sinking Fund Bonds, 1960 Series, maturing November 1, 1980	\$4,000,000	\$3,250,000	nil
Mortgage payable		\$ 24,167	
Notes and Mortgages payable of subsidiary companies		\$3,366,150	

TORONTO STOCK EXCHANGE

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*200,000 common shares are subject to issuance under an Agreement dated November 19th, 1965 between the Company and its parent company, The Woodbridge Company Limited, whereby the Company agreed to sell and The Woodbridge Company Limited agreed to purchase 200,000 common shares without par value of the Company at a price of \$15.50 a share, 25,000 of such shares to be sold and purchased quarterly on March 31, June 30, September 30 and December 31 in each of the years 1966 and 1967.

Offering by Prospectus - By agreement dated November 22, 1965 between the Company and Wood Gundy & Company Limited, Wood Gundy & Company Limited agreed to purchase 720,000 common shares for \$10,620,000. The shares were offered under a prospectus dated November 22, 1965.

Earnings - Consolidated net earnings for the ten years and eight months ended August 31, 1965.

Year ended December 31

Consolidated Net Earnings

1955	\$ 424,069
1956	613,963
1957	812,047
1958	1,069,343
1959	1,360,501
1960	1,223,031
1961	1,276,017
1962	1,337,609
1963	2,282,973
1964	2,709,563
1965 (8 months)	1,911,483

3.5 million for full yr.

Note - The earnings of subsidiaries and branches prior to their acquisition are not included in the above statement.

Dividends - The Directors of the Company have expressed their intention, subject to the factors usually considered at the time of the declaration of dividends, to initiate dividend payments on the common shares of the Company on a quarterly basis at the rate of 44 cents per annum.

It is accordingly the intention of the Directors, subject to such factors, to declare the first regular quarterly dividend of 11 cents per common share payable on March 15, 1966 to shareholders of record on February 15, 1966.

By Order of the Board of Governors

H. D. Graham,
President

